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EASTERN EUROPE

*POLISH MINISTER EXAMINES DOMESTIC TRADE,
MARKET PROBLEMS*



FOREIGN BROADCAST INFORMATION SERVICE

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POLISH MINISTER EXAMINES DOMESTIC TRADE, MARKET PROBLEMS

Introduction to Discussion

AU181400 Warsaw ZYCIE WARSZAWY in Polish 12-13 Jan 80 p 1 AU

[Text] A 2-hour telephone discussion between our readers and Adam Kowalik, minister of domestic trade and services, about domestic trade problems has produced a very interesting exchange of views and demands addressed to the trade apparatus.

The people asking questions of our guest have generally demonstrated a very objective attitude to problems of the domestic market and of the work of trade and have brought up many subjects of a more general nature, concerning organizational matters, a broadly conceived culture of trading and the economic principles of trade's functioning.

Of course, there were many questions concerning the entire problem of supplies.

Some of our readers brought up lesser problems--for example, those concerning trading facilities near their homes--and made presentations concerning their personal problems. The latter were chiefly employees of trade and service organizations.

We are publishing the first part of the ZYCIE WARSZAWY consultation by telephone on page 5. Here is a sample of Minister Adam Kowalik's conversations with our readers:

This is ZYCIE WARSZAWY, Kowalik speaking. Please go ahead.

[Question] Good morning, Mr Minister. My name is Wojciechowska and I live downtown. I have been a regular customer of the delicatessen at the bottom floor of the former Central Trading House which is now called "Smyk." I would like to ask you when that delicatessen will be open again. After all, trade is very short of premises, but those repairs have continued for 4 years now, following that fire. [as published]

[Answer] I can tell you that the bottom floor will be ready in this quarter and will be used for sales of food for children. We have had troubles with repair work. For some time now our own ministerial enterprise has been engaged in that work. Expecting such a question from the readers, I checked on things 2 days ago. The shop should be opened in 3 months.

[Question] Of all the delicatessens, the turnover there has always been the biggest. It is a pity that such an area should rot away....

[Answer] It will be used, I can assure you.

[Question] Thank you very much for your explanations.

[Question] Hello, may I speak to Minister Adam Kowalik?

[Answer] Yes, Kowalik speaking.

[Question] My name is Dybocz and I am calling you from Gdansk. The city management granted my request for a ton of cement as far back as May of last year, but up to this day there is no cement in the fuel storage facilities. No one knows when there will be any cement. What is the matter with that cement? They say that there is plenty of cement in our country, but I am unable to make repairs because I cannot get just one ton of cement.

[Answer] I can understand your bitterness, but the truth is that 1979 was not a good year insofar as the cement supplies to meet the needs of the market are concerned. Unfortunately, the production plan has not been fulfilled for the reasons we all know--energy blackouts and transportation difficulties. That has hit the market, which is receiving only about 70 percent of the planned volume of deliveries. The situation should improve greatly this year.

[Question] Yes, but when?

[Answer] In the next few months.

[Question] Mr Minister, I thank you. Goodby.

[Answer] Greetings and Goodby.

First Installment

AU230830 Warsaw ZYCIE WARSZAWY in Polish 12-13 Jan 80 p 5 /U

[Report edited by Teresa Brodzka, Eugeniusz Waszczuk and Andrzej Zmuda: "Problems of Domestic Market--Report on Telephone Discussion Conducted by Minister Adam Kowalik"]

[Text] We are publishing on this page the first part of the report of the pre-congress consultation on domestic market problems, conducted on Monday, 7 January by Adam Kowalik, minister of domestic trade and services. This is not just a transcript of the conversations by telephone. Some of the answers are in response to questions sent in by letter before the consultations and also on the day of the consultations. Some readers brought their questions to us themselves because they had been unable to get a connection with us by phone. Within 2 hours 25 phone conversations were held....

Some questions concerned the same or similar subjects. That is why replies to them are the same.

Customers as well as trade employees called and wrote us (letters are still coming in). The range of questions was extensive. It is significant that among the 80 or so queries there were relatively few typical "complaints" and subjective problems. Most queries submitted by customers and trade employees requested the evaluation of the situation and information on prospects for its improvement insofar as individual lines of goods are concerned, on the work of trading units and on the action program of the Ministry of Domestic Trade.

In the coming days we will publish other parts of the report on the meeting with Minister Kowalik. We will return to some subjects in routine publications.

[Question] Is this Minister Kowalik? My name is Boguez. I have three problems. The first concerns sugar and meat. There have been difficulties and speculation in sugar. Difficulties and speculation ended as soon as sugar rationing was introduced, could not the same be done with meat?

[Answer] Sir, there is no shortage of food as such, but there are shortages of individual articles. Insofar as sugar is concerned we have mastered the problem with the help of sugar coupons, which has elicited varied reactions as shown by the fact that we are receiving mountains of letters asking us when rationing will be abolished. As you can see, not everyone is satisfied with sugar rationing. One day we will really abolish sugar rationing. We will do that at the right moment when we are absolutely sure that the ending of rationing will not create any difficulties on the market. As for meat rationing the problem is not so simple. Sugar is just sugar and a kilogram of sugar is just a kilogram of sugar. But a kilogram of meat does not necessarily have to be a kilogram of meat, and if we introduced meat rationing the speculators would have their field day! No sir. As I see it the only way of gradually solving the meat problem is to intensify meat production. There is no doubt that you have read the premier's speech in the Sejm that mentioned that so many farms had abandoned animal production. And that is a matter not only for the government, but for all the people--all of us. That is why we must create a climate of disapproval of such phenomena.

[Question] But at present our community is divided into those who have too much meat because they have enough time to stand in line in the morning and those who are unable to buy anything when they go home after work. I am a teacher and I am unable to buy food before noon. Could it be possible to somehow organize supplies for the teachers who are unable to "pop around" to shops during working hours?

[Answer] That is a very controversial proposition. I respect teachers tremendously and I appreciate their tough profession, but such a precedent would trigger a chain reaction on the part of other professions and communities. However, I am not quite clear about your assertion that there are no opportunities to shop after working hours. There is an instruction, which applies also to Warsaw, that 40 percent of meat should be delivered to shops in the afternoon, primarily to shops within housing settlements.

[Question] But are those settlement shops--I have in mind food shops in general--supplied according to orders or according to the distribution schedule? I keep watch on two shops--one in Stegny and the other in Sadyba. One receives adequate supplies, but the other is always short of either baked articles or of butter. Why is that so?

[Answer] That is so because of the manager. In one shop the manager is apparently a good manager and in the other shop the manager is bad.

[Question] One more problem, a very tiresome one: Mr Minister, when will the situation of automobile spare parts definitively improve?

[Answer] I would like to draw your attention to the fact that our ministry does not deal with the sales of automobile spare parts and with automobile services. What I know of the problem of automobile spare parts means that there should be an improvement in that regard this year. The production of those parts is supposed to increase 19 percent, that is, almost one-fifth. Perhaps you have heard or have read that steps were taken to make the production of such spare parts profitable because it has not been up to now. As for auto batteries we will have to wait for 2 or 3 years for real improvements in the situation. As for speculation it is a phenomenon that is always there when some goods are in short supply. Of course, we are combating speculation with all severity and our response is very harsh.

[Question] Good morning. May I speak with Minister Kowalik?

[Answer] Yes, madam. Good morning.

[Question] My name is Prokopowiczowa. My question concerns workfree Saturdays. Such Saturdays are supposed to be days of rest, but they are the most tiresome days of week because of the difficulties in buying the most basic foodstuffs. Could we not have shops staying open for normal sales on workfree Saturdays and could not trade workers have their days off on some other days during the week?

[Answer] You are right, madam, in saying that workfree Saturdays should be days of rest for all working people, including trade workers, of whom women account for almost 90 percent. The system of work in trade facilities on workfree Saturdays makes it possible for some trade workers to have their rest and, at the same time, insures that customers can buy their basic foodstuffs in the shops on duty. If we adopted your proposals, Mrs Prokopowiczowa, we would have to close the shops on some other days of the week and that would cause justified protests. The problem has been settled throughout the world and has passed its test.

[Question] But other countries have no such supply difficulties as is the case with our country.

[Answer] That is why the problem is not really the way our trade performs on workfree Saturdays. The problem is the necessary network of shops and, generally good supplies.

[Question] Mr Minister, but could we not have at least one problem solved--a problem that costs us nerves? The uncertainty whether there will be fresh bread on workfree Saturdays?

[Answer] Madam, that is an entirely different problem. Even the opening of an entire network of shops on workfree Saturdays will not guarantee the supply of fresh bread to all shops because there are not enough bakeries.

[Question] Good morning, Mr Minister. My name is Kowalski and I live in Warsaw. I would like to mention two problems. One is the auto battery. For several weeks now I have been trying to buy a battery. What is the matter with battery supplies?

[Answer] The machine engineering industry--the Polmozbyt agency--and not our ministry is responsible for auto batteries. I agree that the problem is really serious as we are short of some 400,000 auto batteries. It is not only the individual owners of cars that are feeling the shortage of batteries. The biggest present worry of our departmental transportation is also the shortage of batteries. What can I say to cheer you up? A recycling of batteries is now in progress....

[Question] Well, yes, but it will take a long time before we can profit by it! Could it not be possible to import auto batteries for the time being?

[Answer] We are importing auto batteries, but not as many as we need.

[Question] Is it not possible to eliminate the sales of batteries for hard currencies?

[Answer] It is possible, but what's the use. Such elimination will not help to increase their numbers....

[Question] That is a fact. Now the other problem. Why is it that recently we have had fresh and smoked meat in normal shops at commercial prices? The delicatessens also have had such supplies because these shops are also switching over to commercial prices. One is at a loss to understand all that. Does that mean that now all shops will switch over to commercial prices?

[Answer] Not so long ago in an interview for PAP I discussed the problem of meat. I will repeat my statement in brief. Despite the annual increases in the supply of fresh and smoked meat, I estimate that at the moment we are short of one-quarter of the present meat supplies to meet the demand for meat.

Insofar as meat at commercial prices is concerned, the fact is that such meat accounts for only 18 percent of all meat supplies. The ratio will no doubt increase, but the basic supply of meat will continue to be sold at the present prices by the general network of shops. I am talking about the foreseeable future because I cannot tell you that the same prices will continue forever. [paragraph continues]

During the Christmas period there was a temporary situation, namely, that some supplies of fresh and smoked meat sold at commercial prices found their way into the network of normal shops, but that is over now. As for the delicatessen foodstuffs we are now supporting a more extensive development of delicatessen food production because such foods are complete meat substitutes. We are also supporting food production by artisans and we attach great hopes to it because it should help improve the situation in the meat market, especially insofar as good smoked meat products such as sausages and so on are concerned. Those activities will produce the fastest results in Warsaw because our work here is most advanced.

[Question] Is this Minister Kowalik speaking? Good morning, my name is Rozwadowska. Mr Minister, why is it that the standards of shop service in our country are so low? Many salespeople lack normal politeness and treat the customers as some intruders. Are salespeople not interested in polite and efficient service?

[Answer] Perhaps you will agree with me, Mrs Rozwadowska, that we should not generalize insofar as standards of shop service are concerned. After all, there are many salespeople who are polite and efficient, although their jobs are exacting and responsible. As for me I would like to replace the appeal "smile at the customer" with the appeal "smiles on either side of the counter." Perhaps we could apply that appeal to all spheres of our life and not only to the sphere of trade and of the customer-salesperson relationship?

[Question] I thank you, my new year wish for you; may that appeal come true.

[Answer] I thank you too and reciprocate your wish.

[Question] Good morning, Mr Minister. My name is Kozlowski. My question is this: The large housing settlements are just deserts insofar as shopping and service facilities are concerned. The press continues to write about the backlog in the construction of so-called associated facilities for those settlements, but apparently no one takes any notice of it. Will there be any changes for the better in the foreseeable future?

[Answer] It is a fact that plans for the construction of shopping and service facilities have not been implemented for several years now. Last year, too, those plans failed to be implemented, and that is why large backlogs have accumulated. The inhabitants of the new settlements have to suffer the painful results of all that.

I think that the construction department should also be allotted, under the annual socioeconomic plan, the tasks involving elimination of backlogs. The 1980 plan has for the first time singled out the tasks concerning the construction of the basic network of shops.

For its part the trade department has begun the construction of large trading facilities, including covered market places. We began implementation of that program in 1978 by constructing a trading hall on Człuchowska Street in Warsaw. The hall will soon be ready. Last year we began construction of five such halls. We will continue the construction of large trading facilities in the coming years also. That will help to modernize trade and to greatly improve the shopping conditions.

However, we think that--in addition to those who are responsible for trade--builders, investors and other people should take more interest in the construction of new trading facilities. After all, all of them buy something and are thus customers and all of them want good service in the shops. That is why we should let all of them contribute to construction of trading facilities and let them stick to construction deadlines.

[Question] Is this Mr Minister Kowalik? Good morning, my name is Gmoch. I would like to ask you when it will be possible in Poland to buy a car. To go in and buy...

[Answer] Just like that. Go in and buy? I am afraid that will take a long time. Demand is greatly outstripping supply, which is a pleasing state of affairs because it means that more and more people can simply afford to buy a car.

[Question] Do you envisage payments of any advance deposits?

[Answer] In the long run yes, but for the moment we had to abandon the scheme because prospective car buyers had to wait ad infinitum, which was nonsense.

[Question] So all we have now is the coupons [talony]?

[Answer] Well, what can you do? At least that means that there is some measure of social control over distribution.

[Question] Thank you, sir.

[Answer] I thank you, too.

[Question] My name is Bogusław Zychowicz. I have called you in connection with the problem that the ZYCIE WARSZAWY discussed last December, namely, powdered milk. The daily also reported that you had decided to issue coupons for powdered milk. Any news about that? Because I have some observations to make about the problem...

[Answer] The situation of powdered milk is as follows: Our production amounts to 18,000 tons, but in accordance with the norms laid down by the mother-and-child institute, 15,000 tons would be more than enough for all children. That means that our production is larger than the needs of babies. All the same, we will increase the production of powdered milk still further--probably by 2,000-3,000 tons. [paragraph continues]

Despite all that it is true that in the spring and summer there is a shortage of powdered milk. Why? Because producers of ice cream and bakeries buy out powdered milk. ZYCIE WARSZAWY discussed the problem last December and I had plans to issue a decree in January to the effect that every mother would receive coupons for 30 kilograms of powdered milk--a year's allocation. That would be temporary rationing, but a lesser evil than not being able to buy powdered milk at all. However, later on the ZYCIE WARSZAWY published the views of its readers who maintained that the sick need powdered milk, that elderly people need it likewise and that children have various needs.... In a word there are as many people for the rationing of powdered milk as there are against. What is your view?

[Question] The solution involving coupons for powdered milk would be very unpopular. Besides, it is impossible to suddenly switch to fresh milk after feeding the baby on powdered milk for a year.

[Answer] I share your view that rationing is unpopular. But what would you suggest?

[Question] Personally I do not know. The issue is difficult. I think that the age limits laid down in the draft decree were incorrect.

[Answer] I understand. That was one reason for our decision to delay the solution of the problem until all its aspects are fully clarified.

[Question] One more thing, Mr Minister: When will the trading hall at Człuchowska Street be ready for use? I live nearby and I am looking forward so much to the opening of the hall....

[Answer] You are not alone. It will be a model hall built to a Hungarian pattern. Its floor will comprise 10,000 square meters and many goods will be packed into it. I am able to tell you that the construction schedule will be cut by 9 months. Construction work should be completed by the end of March and the hall will be turned over to the USSR. I think the hall will be opened for sales on 2 May.

[Question] That is great news. Thank you.

[Answer] I also thank you. Goodby.

[Question] Mr Minister, my name is Urszulak. My question is: When will the problem of furniture sales be sorted out? When will it be possible to buy furniture in a normal way? Shortages of furniture continue and organization of sales is poor.... People wait for months in line in front of Emilia furniture store in Warsaw. When will the situation substantially improve?

[Answer] That is really a weak sector at present. Why? Well, the difficulties of 1979 that we all know have hit the furniture industry with particular force so that it failed to fulfill its 1979 production plan.

[paragraph continues]

The fact that toward the end of the year the number of houses and apartments turned over for use rapidly increased boosted the demand for furniture, which could not be met. This year should produce considerable improvements. We are having talks with the Department of Forestry and Timber Industry in order to increase the production of furniture in excess of the plan. We also expect that the committee for the problems of the market will grant additional funds to the furniture industry so that it can import the materials needed for increased production.

[Question] What about the organization of sales?

[Answer] I wish to state that I share the view that the present organization of furniture sales is really defective to a great extent. In that connection I have instructed the State Agency of Domestic Trade to tackle the problem in order to eliminate waiting lines and speculation. The State Trade Inspectorate will also keep a watchful eye on sales of furniture.

We can and we must sort out the waiting list for furniture. We are working out a scheme for advanced deposits on furniture purchases. Unfortunately, furniture trade has a poor base, an inadequate number of shops and warehouses. We will continue to expand that base and we have the necessary program. We will also expand furniture sales outside the furniture shops. We will also do so in Warsaw. There should be more furniture for sale this year. Trade must improve the organization of furniture sales.

[Answer] Kowalik speaking. Yes?

[Question] Good morning, Mr Minister. My name is Galkowski. I would like to know what the reform of domestic trade that was carried out some years ago has produced?

[Answer] It is still too early to draw the final conclusions. We have set up three large trading organizations. One is responsible for food supplies for the urban population and is called "Społem." The second organization is responsible for supplying the urban population with industrial goods and is called the Central Office for State Domestic Trade. The third organization is called Peasants Self-Aid and provides services mainly for the rural population. These organizations have their branches and enterprises in each voivodship which is why we can influence and control the area distribution of goods and commodities. We can also respond to various shortages of goods. We distribute goods among the voivodships, but the voivodes themselves determine how those goods are to be allocated to the urban and to the rural areas. How can we evaluate the workings of that reform? On the whole, it is passing its test, but, as every other large-scale reform it requires time and certain modifications. In that regard very much depends on people--on the managers of the voivodship enterprises, on central trading agencies and on the front-line workers, who to me are above all the shop managers.

[Question] But under the present scheme two ministers are responsible for that--one in the urban and other in the rural areas?

[Answer] One minister is responsible for trade and he is the minister of domestic trade, who has powers of coordination also vis-a-vis rural trade.

[Question] What about modifications to the trade reform?

[Answer] An example. As you know we have returned to the original concept with regard to the Jubiler enterprise because there was no place for it in the voivodship domestic trade enterprises. That is a very specific branch, and we carried through the modification. It is quite possible that we will carry out other such small modifications. Nevertheless, we will continue to improve the existing organization. It is passing its test on its basic principles.

[Question] One more problem, if you please.

[Answer] Certainly.

[Question] How do you protect the market against purchases by institutions?

[Answer] Despite considerable difficulties, we fulfilled and even over-fulfilled by 2 percent the plan for sales to the population last year, although the supplies of goods were smaller than implied by the assumptions of the plan. On the other hand, the sales outside of the market were 25 billion below the planned targets. We directed the goods worth those 25 billion to the market for the people to buy. The regulations are very strict in that regard and there is no practical possibility of diverting the goods for other purposes, outside the market. We will maintain the situation this year too, although the amount of goods for sales outside the market is correctly calculated. After all, what is involved among other things is the communal supplies for plant work forces. We should bear in mind, however, that the situation is being precisely and accurately controlled.

[Question] Perhaps that control is too precise. For example, last December the voivodes busied themselves with distributing even quite petty goods.

[Answer] Perhaps that was really a case of excessive control, but it was not the voivodes who exercised it. It was the appropriate sections in the voivodship offices. You see, in a situation in which one must insure supplies for the people--in a special situation--we must do things in a special way. Otherwise the institutions would have bought about various goods, particularly in December when all the surplus budgetary money is spent. That is why I ordered sharper control checks in December.

[Question] When will it be that a customer is able to buy the goods he needs without any difficulties?

[Answer] Excuse me if I ask you a question. No doubt you work in the economy?

[Question] Yes.

[Answer] In which branch?

[Question] In the machine engineering industry.

[Answer] In that case I would like to ask you: When will there be adequate supplies of, say, automated washing machines, batteries, tape recorders, color television sets, automobile batteries and other products for sale?

[Question] This question can be answered by the minister of the machine engineering industry....

[Answer] Those products are manufactured in various plants and their availability determines a good market. Let each look to his own production. Generally speaking, I can tell you that the 1980 plan is on the whole optimistic. The increase in production, especially in the sector in which you are employed, is considerable. That is also the case in the timber, chemical and light industries. I think that 1980 will see an improvement in the situation, although there is no doubt there will be many problems that we will not be able to solve. In our common interest let us try to solve them in the best possible way--each in his own sector.

[Question] Thank you. Goodby.

[Answer] Goodbye, sir.

[Question] Good morning, Zielinski speaking.

[Answer] Kowalik speaking, good morning. Go ahead.

[Question] Mr Minister, very often we are taken by surprise by the shops near our homes in that they hang out notices telling you that the shop is closed for some such reason as the illness of the personnel, vacations, repairs, stocktaking and so on. You can never be certain that a shop will be open and that is why we have to do our shopping in supermarkets, which are so crowded, and to transport our purchases across the entire city. Can we expect some improvements in this situation?

[Answer] That is not a simple matter. The trading organization is short of 25,000-30,000 workers, mainly for the food shops. That is why for many years now we have been making efforts to find the necessary manpower.

The operation of the commission agents' shops in the past 2 years has enabled us to spare some 17,000 trade workers who could thus reinforce the staffs of large trading facilities. We expect that in 1980 we will hand over another 15,000 shops to commission agents.

We are promoting part-time employment, but we have to admit that the potential is not being fully exploited. I tell you that neither the ministry itself nor the central trading agencies are able to solve the problem, which depends above all on local authorities, enterprise managers and the managers who run trading shops. Our neighbors are more efficient in solving those problems and we must draw the necessary conclusions. I can promise you that efforts to solve that system of work will be one of the important criteria of evaluating the performance of trading shops and centers and their managements.

[Question] Could I ask just one more question please?

[Answer] By all means, please.

[Question] I have heard that trading houses have to observe new principles of work, that they are more self-reliant. What does that mean in practice?

[Answer] That is a relatively recent matter. The new principles of work to be observed by the "Centrum" trading houses have been in force since 1 July 1979. We will carry out a more penetrating evaluation of the results of those principles in the near future, but we can already say that the new principles have given the trading houses greater self-reliance, which is conducive to better supplies and better servicing of customers.

[Question] There is probably more to it: Experiments in various large trading facilities throughout the country.....

[Answer] Indeed. Last year we asked 27 large trading facilities to carry out an experiment which involves abolishing manpower limits, the introduction of easier principles of administering the wage fund, the possibility of obtaining direct supplies from producing plants and from private producers, and so on. Our evaluation of the present course of that experiment is very positive. Supplies have improved, the standards of customer service have increased and the turnover has been greatly boosted. That is why this year, at the request of trading organizations, we will extend that system to over 200 large trading facilities.

I also wish to say that a new economic-fiscal system, which makes the present principles much more flexible, is in the final stages of preparation. We intend to generally introduce it as early as this year.

Second Installment

AU241500 Warsaw ZYCIE WARSZAWY in Polish 16 Jan 80 p 3 AU

[Report Edited by TB, EW, AZ: "Problems of Domestic Market--Report on Telephone Discussion Conducted by Minister Adam Kowalik;" part two]

[Text] Today we are publishing another installment of the report on our

7 January pregress consultations on the problems of the domestic market. Adam Kowalik, minister of domestic trade and services, conducted telephone conversations with readers on our editorial telephone 250-205.

A telephone question from Wacław Domanski and a written question from Jan Korycki from Radom and Anna Kwiecinska from Miawa:

What is trade doing to counter increases in the prices for market goods, especially in view of the fact that one can see "with the naked eye" that it is not the production costs but the tendency toward "novel products" at any price that is responsible for such increases? Is trade able to do anything to halt unjustified increases in prices?

[Answer] We are trying to counter those practices. Of course, trade is able to refuse to accept the prices fixed by producers if they do not accord with trade's views. However, in daily practice the effectiveness of our activities depends on the balance between supply and demand for individual goods or groups of goods. Inadequate supplies of market goods are responsible not only for the fact that those who fix prices often fail to make allowances for our views, but also for the fact that trade is not always able to refuse the goods with such prices. We should add that, in the conditions in which many goods are in short supply, trading organizations also succumb to the pressures of customers themselves, who are ready to accept higher prices if there is a chance that such goods will be on sale at all. Wherever supply matches demand our activity to counter excessive prices can be effective. For example, not so long ago we refused to accept and buy a refrigerator that was too expensive, as well as a portable washing machine [pralka turystyczna] and some upholstered furniture.

At the request of our department, the chairman of the State Price Commission has changed the procedure by which trade makes proposals with regard to retail prices. Trade's recommendations will not be binding on producers. If those who fix prices do not agree with trade's recommendations, the State Price Commission will settle the price question.

We must also bear in mind that in Poland industrial associations and enterprises have the right to fix prices (with regard to 50 percent of retail prices). It is true that the chairman of the State Price Commission has canceled that right in many cases, but decentralized decisions continue to have a crucial influence on the level of prices for many market goods.

We must realize that in that connection much depends on the attitudes of plant managers and workers self-government groups in industry. After all, those who work in plants also have to be customers--to buy the products manufactured by various plants. Our efforts will not produce the expected results if there is a lack of universal concern to insure that prices are honest and reasonable.

I would like to add that this year we will devote particular attention to price control in open markets in which vegetables, fruit and other produce are sold. The fact that the 1979 season was very successful and that socialized trade has amassed large stocks of basic vegetables and fruit is a favorable factor. In view of that I announce that the State Price Commission will intensify its control checks over prices. If anyone is found to have raised prices over the limit on three occasions, his sales permit will be withdrawn.

Kowalik speaking; next question please.

[Question] Good morning, Chockiewicz speaking. I have two questions. The first is whether your ministry is planning to implement in practice the so-called comprehensive method of evaluating the following features of industrial products: The utility value, the quality of design, market attractiveness and adherence to the laws of ergonomics? The second question is whether your ministry intends to set up an organization responsible for testing products and for issuing quality certificates?

[Answer] My answer to the first question is "yes."

[Question] Which organization will implement that method?

[Answer] All of them.

[Question] In that case the whole thing will fail! Such an organization must be a specialist organization, one run by outstanding specialists whose activities are objectively independent of industry....

[Answer] We have such organizations, but, singly, they will not be able to achieve anything. That must be done by the Spolem and the Peasants' Self-Aid organizations and by the Domestic Trade Central Advisory Organization.

[Question] I understand, but who will deal with the aspects of methodology and systems?

[Answer] The Institute of Domestic Trade and Services is working on that.

[Question] Oh! That is interesting because I deal with the very problems of quality in industry and I can see no one, no partner to help....

[Answer] That is true. The partner is still too weak.

[Question] The point is that if there is to be any change in the matters of quality then your ministry and the Ministry of Foreign Trade must, so to speak, pound the table with an iron fist... must extort....

[Answer] Please, do understand that there are different situations. Your proposal is correct, but it would be difficult to implement it, especially since there are even acute shortages in some sectors of the market.

[Question] Let me recall that in many countries, including Sweden and Britain, there exist special organizations and periodicals that are independent of trade and industry and that test products, for example, the British publication EACH... [as published; presumably a reference to British publication WHICH?]

[Answer] I agree with you, but in our country we also have a body that tests and evaluate products--the Central Bureau for Product Quality, which is a part of the Polish Committee for Standards, Measures and Quality. We are doing a great deal in that regard, industry included, but the problem is there....

[Question] Thank you very much. Goodby.

[Answer] At your service, Kowalik speaking.

[Question] Good morning, Mr Minister, my name is Stanislaw Midzior. We are short of foods and yet shops are wasting large amounts of it. What they do is display various foods, including powdered milk, wines and macaroni, in the shop windows or near the central heating or under a strong light and let them deteriorate at high temperatures or in too strong a light.

[Answer] I agree with you. You are right. It is good that you have brought up the problem. It is really for shop managers and directors of enterprises to draw the necessary conclusions. A minister can do nothing about it. If it will console you, such goods are often shop window imitations, but the problem does exist.

[Question] When I intervened in the consumers' cooperative I was told that the "Spolem" organization had instructed the cooperative to display goods in the shop windows, goods including wine because the display of wine is not at odds with the antialcohol law. But at the city office I was told that such interpretation of the laws was wrong....

[Answer] You are right. I am here in the company of the deputy chairman of the "Spolem" organization who is listening to your observations. I am appealing to shop managers--not to you, sir--to solve those problems. They must do it because no one will do it for them. Your observation is absolutely correct and we accept it.

[Question] Thank you, Mr Minister, goodby.

[Answer] Goodby and thank you, too.

Kowalik speaking. Yes please?

[Question] Good morning, sir, I have a question....

[Answer] Who is this please?

[Question] My name is Stanislaw Dybka and I have worked in socialized trade for over 30 years. I am in charge of a small shop specializing in ornamental articles. I have two assistants. The shop, which is situated at Zelazna Street, has a turnover of Zl million. In 2 years I will retire. I am a disabled war veteran, but some young managers keep on trying to talk me into taking over my shop as a commission agent.

[Answer] And you do not want to?

[Question] If I were 15 years younger and enjoyed good health I would take the shop over, but not under the present circumstances. I would like to work those 2 years as I have worked for the past 30 years.

[Answer] That is unusual. Please do your best in running your shop, we will grant your request, although our general policy is to hand over small shops to commission agents. Should there be any difficulty please get in touch with Director Dygdon, who is here with me.

[Question] Mr Minister, I thank you. Good health and goodbye.

[Answer] Thank you and the same to you.

In the letters to the editorial board I am asked: How does the Ministry of Domestic Trade and Services evaluate the commission agents' shops and the prospects of their development? Is that an experiment or a system? Is the normal trading system unable to function effectively?

The position of my ministry on that problem is common knowledge and I have often spoken in that connection. Commission agents' shops are one of the many organizational forms of sales (such shops have existed in our country in different forms since 1952). The prime purpose of such shops is to better exploit trade's technical and material base. We should remember that over 60 percent of the shops in our country have a floor space of about 50 square meters, are run mostly by 1 or 2 persons and account for 25 percent of the market turnover. Usually those shops are hardly profitable or simply unprofitable and are closed for various reasons for an average of 55-65 days per year.

As the experience of the still small number of commission agents' shops shows, their operations have helped improve the supply situation. Last year those shops sold Z4.5 billion worth of goods more than in previous year. The services offered by them are better and they are open all the year round. In addition, the trade organization has been able to spare about 17,000 trade workers, who have been transferred to large trading facilities for the benefit of customers. The structure of commission agents' shops is changing advantageously: At present 45 percent of them sell foodstuffs, 25 percent sell vegetable and fruit, 25 percent sell industrial goods and 5 percent sell flowers.

The system of agents' shops is a permanent institution and we regard it as a form and component part of socialized trade, which is in charge and control of the agents' shops. The system has gained the approval of customers, the Sejm Committee and the voivodship authorities. The cases of irregularities cannot undermine the general evaluation.

Jan Wojtkiewicz from Warsaw writes and asks: "Comrade Minister, who do you intend to solve the problem of the excessive administrative manpower in the Spolem Consumers' Cooperative Center, in which the managing personnel (chairmen, directors, managers, deputy managers and advisors) account for one-third of all workers."

I must say that this statement is simply grossly exaggerated and untrue.

The managing personnel of the Spolem center accounts for 14.5 percent of all Spolem workers. There are seven workers for each managerial job. In keeping with the law on the 1980 national socioeconomic plan, all departments will review their organizational structures by the end of March 1980 in order to simplify them, to reduce the number of organizational units and to eliminate superfluous managerial jobs.

In that connection the Spolem center has appointed a team charged with the task of reviewing the organizational structures of the center's administration and has issued instructions on how reviews should be carried out in all the units run by the center and associated with it. The work should be completed by 15 March 1980.

In that connection I would like to state that the managerial workers of the entire organization of market trade in our country account for about 12.5 percent of all trade workers. That is one of the lower indexes in the country as compared with the other branches of the national economy. In the past few years the manpower of trade administration has decreased by about 6,000 people. As the mechanization of office work develops and as work organization improves the number of the administrative workers of trade will be reduced still further.

Third Installment

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[Report edited by TB, EW and AZ: "Problems of Domestic Market--Report on Telephone Discussion Conducted by Minister Adam Kowalik"; third and final part]

[Text] Today we are publishing another report on our 9 January pre-congress consultations about the problems of the domestic market. Adam Kowalik, minister of domestic trade and services, conducted the discussion with our readers on editorial telephone 250-205.

From the readers' letters (sent in by Jan Nowikowski from Katowice and Antoni Wasik from Kielce): "What are the aims of the Committee for Problems of the Domestic Market, of which you are the chairman? What are the aims and results of the committee's work? After all, specific departments are responsible for production. Do we need a special committee in the bargain?"

[Answer] The committee was set up by the Council of Ministers in January 1978 because we needed a body that would exert a comprehensive and more effective influence on industry and other sectors of the national economy responsible for supplies to the domestic market.

It goes without saying that I share your view that everyone should do his duty, but practice is a different proposition. At times life produces very difficult situations in which the help given by the committee, which possesses among other things the reserve funds to pay for emergency imports and the special bonus funds, enables us to rapidly master such difficult and unexpected situations. I also have in mind the acceleration of production, improvements in its structure and, finally, the co-ordination of interdepartmental undertakings.

It is worth knowing that precisely due to the committee's initiative, last year the country received extra goods worth over Z10 billion. They included foodstuffs, clothing, footwear, chemicals for the use in the economy and so on. Reserve investment funds have made it possible to construct five large trading halls (one of them at Czluchowska Street in Warsaw will be ready within a few months and the construction of two others will begin this year). The committee's reserve funds will be used to build 10 bakeries this year in Warsaw housing settlements which will bake breakfast breads.

The committee (it includes several ministers from economic departments and a representative from the Central Trade Union Council), in charge of which is a vice premier, has issued control lists of the goods that are most in demand and has worked out concepts for the development of small-production enterprises and new principles of the economic-fiscal system (including experiments in large trading facilities). Those are just some examples. Altogether we can say that the committee stimulates the production of market goods and helps improve the performance of domestic trade and services.

[Question] Hello! Good morning, Mr Minister. Mialkowski speaking.

[Answer] Good morning.

[Question] I would like to discuss the problem of the Pewex shops. Do you realize how exasperating it is for our community concerning the existence of those shops? Because of that is it really right to maintain them?

[Answer] I realize that and I have spoken on the subject several times. I know that those shops are controversial, but let us look at them calmly, without emotion. Several thousand Polish citizens are working abroad and are paid in foreign currencies. We should also bear in mind the currency incomes of scientists and artists and the currencies brought into our country by citizens of other states. Also large amounts of foreign currencies are sent into Poland by relatives living abroad. All that creates a specific need for purchases in our country of goods for hard currency.
[paragraph continues]

If we had no Pewex shops, which specialize in such transactions, the job would have to be done by foreign mailing firms and department stores and even private persons, who would scoop their profit. Would that be a better solution?

[Question] Well, yes, but the people who benefit by those shops are still very few, while the general run of our society reaps no benefits. On the contrary, it regards itself as some worse category of citizens.

[Answer] That is not quite correct because the transactions conducted by the Pewex shops benefit all our people. After all, 50 percent of the net profit in the hard currencies earned by the shops is transferred to the Ministry of Domestic Trade and Services and is used to buy goods for the domestic market. Thanks to that, in 1979 we were able to buy extra goods abroad worth \$50 million. Very often those goods were of the most essential importance because the 1979 upsets in production threatened a shortage of them.

[Question] But how can you explain the presence of Polish goods in the Pewex shops?

[Answer] The problem has been settled: The Pewex shops will above all not accept those goods of Polish production whose supplies for the domestic market have not been implemented, nor do the Pewex shops sell food-stuffs. Besides, it is worth stressing that alcohol accounts for 87 percent of the domestic articles sold by those shops.

[Question] Good morning, Malicka here. Mr Minister, in the past few months I have been able to tour the display rooms of the Polish Fashions [Moda Polska] situated in a few medium-sized towns and I found little to look at. In Warsaw, too, you can see empty shelves and pegs. Why then open more and more shops and display rooms of the Polish Fashions?

[Answer] Your observations are not quite up to date. In 1979 the general economic conditions were not conducive to insuring good supplies for the Polish Fashions, especially in the mid-year when serious shortages occurred. But we have taken measures to set in motion a flow of raw materials for production by the Polish Fashions enterprise and for handicraft workers. Our measures have also resulted in increased supplies from abroad, including cosmetics, knitted articles and footwear. The supplies for the Polish Fashions shops have improved. We should bear in mind that difficulties were affecting the entire domestic market and not only those shops. We have adopted firm decisions to insure an increased and consistent flow of supplies to those shops in 1980. The supplies will include imported goods as well.

In 1980 we intend to open 11-12 shops and display rooms of the Polish fashions enterprise and to extend the patronage of this enterprise to 15 large shops run by the voivodship domestic trade enterprise. The Polish Fashions will operate in keeping with the principles of the experiments that we have recently introduced into some 200 large trading facilities. [paragraph continues]

That means that the enterprise will enjoy a large measure of freedom insofar as the sources of supply, manpower, wages and so on are concerned. If there is anything I can say about the Polish Fashions enterprise, then it is primarily that it is still not flexible enough to cope with the situations in which goods are in short supply. I hope that the new principles of performance and clear aims and their implementation will help fashion the functioning of that enterprise at the desired level. Conditions for that have been created.

Kowalik speaking. Yes?

[Question] Good morning, Mr Minister. My name is Joanna Budziak. Why there is so much imported alcohol in the Społem shops? Would it not be more advantageous to use that hard currency for buying the goods we need and look for?

[Answer] Madam, I can reassure you. An overwhelming part of that alcohol is bartered alcohol--goods for goods, alcohol for alcohol. It is also alcohol bought from the people. We import wines above all from the socialist countries. The issue of imported alcohol has been raised from time to time, but many customers want to have a greater range of good wines, cognacs and more refined alcohol.

[Question] Thank you very much. Goodby.

[ZYCIE WARSZAWY] Some questions sent in by letter by K. Bronikowski, Anna Adamczewska, Janina Jozwikowska and others:

Is it possible to improve the supplies of breads? We have in mind quantity and quality. The supplies of breads are always late and there is little to choose from. What about wholemeal breads? Why are there so very few specialized bakeries with their own production base? When will the quality of breads improve?

[Answer] There is much that is correct in those questions and observations. At present there are 5,600 bakeries producing about 3.6 million tons of bread a year. That is enough to meet our needs. However, the average shift intensity stands at 1.9 and in the "Społem" bakeries in towns it stands at as much as 2.6, which makes it difficult to supply fresh breads, which, by the way, customers identify with good quality breads. The troubles with fresh breads occur particularly in pre-Christmas and similar periods when people want to have extra supplies.

The baking industry is neglected and without the necessary investments in some regions of the country. It has also difficulties with manpower. All that is affecting the quantity and quality of production, production efficiency and supplies. As practice has shown, it was not always right to build only giant baking combines in large urban centers because they have proved to be less flexible and are situated too far from shops.

Our ministry has worked out an extensive program for improving the present situation, which is an object of just complaints by the people, especially of those who live in new large housing settlements.

While constructing large bakeries, we want to make intensive efforts to promote the construction of smaller bakeries, which could sell their own products in their own shops situated in housing settlements. In 1980-85 we want to build over 850 such bakeries, including 110 this year. Also this year Warsaw will be given, in excess of the plan, 10 smaller bakeries in housing settlements. Those bakeries will be built with the reserve funds owned by the Committee for Problems of Domestic Market. Bakeries in housing settlements will specialize in baking breakfast and black breads. Private bakers will also offer rapid and large-scale help.

I share the views of the readers that the range of breads leaves much to be desired. It is our intention to insure that in 1985 the share of black breads increases to 12-15 percent (from the present 3 percent). Our prime concern is breakfast breads as fresh as possible--direct from the oven, as will be the case with the aforementioned network of bakeries in housing settlements. This year we want to raise the index of those breads to 12 percent of general supplies and to at least 30 percent in 1985. Bowing to the demands of customers for fresh breads, the trade organization continues to open bread selling shops at bakeries themselves. For example, in Warsaw 13 such shops were opened last December.

As for quality it depends to a great extent on our ability to reduce the load of bakeries' tasks. They should not work more than 13-15 hours a day and should have manpower reserves at periods such as Christmas. Of course, quality also depends on materials and their consistent supplies. At present that is not of the best order, but I am convinced that improvements can be expected.

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